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LANSING

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Analysis of Enrolled Senate Bill 658

Topic: Summer Resort Corporations
Sponsor: Senator Allen
Co-Sponsors: None
Committee: Senate Commerce and Labor
House Commerce

Date Introduced: June 29, 2005

Date Enrolled:

Date of Analysis: January 31, 2006

Position: The Department of Labor & Economic Growth supports the bill.

Problem/Background: Public Act 39 of 1889 provides for the formation of corporations for the purchase and improvement of grounds on which summer homes are located, camp meetings, and for meetings of assemblies or associations and societies organized for intellectual and scientific culture and for promotion of religion and morality. According to the Corporations Division of the Department of Labor & Economic Growth, there are 12 organizations incorporated under the act that are currently in good standing.

The bill was introduced on behalf of the Bayview Association of the United Methodist Church located near Petoskey. Significant population growth in the Petoskey area and the potential for continued growth in the area has caused leaders of the Bayview community to seek ways of creating a buffer so that they are not completely hemmed in by this development. The Bayview Association was founded in 1875 as a summer encampment of the United Methodist Church. It consists of 438 summer cottages built in the late 19th and early 20th centuries and other buildings related to summer programs and performances. Bayview was named a National Historic Landmark in 1988.

Bayview has significant historical importance, because it was originally organized as part of the Chautauqua movement. The movement was founded in 1874 by a businessman and Methodist minister in western New York (near Lake Chautauqua, one of the finger lakes). Although the initial focus at these outdoor summer assemblies was on training Sunday school teachers, the format quickly broadened to include a variety of educational and cultural offerings, including speeches by William Jennings Bryan and other prominent figures. The Great Depression put an end to most events and a few others continued until World War II. Bayview's summer program, which was begun in 1886, makes it one of the last of its kind to carry on this tradition.

Description of Bill: The bill amends Section 4 of Public Act 39 of 1889 to increase the amount of land held by an association created under the act from 350 to 1,000 acres.

Summary of Arguments

Pro: Bayview currently owns 337 acres of land, and under current law they can add only 13 more acres to their property. According to a spokesperson, the association is interested in acquiring one or two adjacent parcels that may become available within a few years. Acquisition of these parcels would allow the association to protect their property from erosion resulting from poor drainage and create a buffer between their property and surrounding urban development.

Con: It may be difficult to create the desired buffer because growth in the area already comes very close to the association's current boundaries.

Association property used for religious purposes is tax exempt. A substantial increase in property acquired and used for religious purposes would have a negative impact on Bear Creek Township, Petoskey Public Schools, Emmet County, and other taxpayers.

Fiscal/Economic Impact

(a) **Department:** The bill will have no fiscal impact on the department.

(b) **State:** The bill will have no fiscal impact on the state.

(c) **Local Government:** Bayview is the largest property taxpayer in Northwestern Lower Michigan. The assessed value of Bayview property exceeds \$20 million.

Other State Departments: The bill will have no effect on other state departments.

Any Other Pertinent Information: None.

Administrative Rules Impact: The bill will have no administrative rules impact.